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U. S. OFFICIALS ONLY**CENTRAL INTELLIGENCE GROUP**
INTELLIGENCE REPORT**COUNTRY** Yugoslavia**SUBJECT** Economic Notes

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SUPPLEMENT

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STATE	WAR	NAVY	JUSTICE

1. The railway lines Banjaluka-Sarajevo and ~~Salgrade-Zagreb~~ have been destroyed in several places by Chetniks and Ustashi ~~who have not united in order to fight Tito.~~
2. The following factories have recently been severely damaged by sabotage: Ivancica in Oroslavije-Krapins; Siemens in Zagreb; Frank Kaffe in Zagreb and the Gann textile works.
3. Both workers and officials are now very dissatisfied with Tito's regime owing to the rigid control of the political commissars. Especial discontent has been caused by the fact that salaries are so small that both classes find it very hard to make ends meet. For example, a good workman earns 14-18 dinars an hour; a semi-skilled worker from 10-13 dinars and an unskilled workman a maximum of 11 dinars an hour. Besides this, all workmen receive an extra dinar an hour for clothing.
4. In order to stimulate effort the political commissars have promised special privileges. Anyone who through special work is awarded the title "Udarnik", receives a special document which allows him to buy extra food and clothing. This document is only valid for three months, at the end of which period it must be surrendered to the Trades Unions unless the owner has shown himself worthy of its further possession. This measure is largely ineffective since the best workman earns so little that he cannot afford to buy the goods to which he is normally entitled, let alone the extra which the Udarnik document allows him.
5. A large number of deductions, amounting to almost 15 per cent, are also made from the workers' pay amongst which are those for taxes, the Trade Unions, the Communist newspapers, health insurance, reconstruction, ~~_____~~ sufferers in Albania etc. This naturally increases discontent.
6. Since the social services which were specially promised to the workers have largely failed to materialize, feeling runs so high that acts of sabotage in factories and workshops are frequent.
7. Agriculture is also in a bad state. The peasants do not want to adopt collective farming and Tito's agents are forced to collect foodstuffs by force, paying a fixed maximum price far below the market value of the goods. The peasants therefore hide all they can and do not wish to work. Most of the foodstuffs collected from the peasants are sent to Russia.

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8. Gasoline, paraffin and other liquid fuels are now all rationed and there is a severe shortage of rubber tires and spare parts of cars.

Oil refineries, with the exception of the Nafta plant in Rutine, are not working.

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